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nonprofit community.

*Expert Testimony Presented Before the Public Health & Human Services Committees:*

Privatization and Relocation of Services Provided by Department of Developmental Services  
and Department of Mental Health and Addiction Services

Presented By: Ron Cretaro, Executive Director, Connecticut Association of Nonprofits (CT Nonprofits)

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Good morning, Senator Harris, Senator Doyle, Representative Ritter, Representative Walker and committee members. Thank you for the opportunity to participate in this important forum. My name is Ron Cretaro Executive Director of Connecticut Association of Nonprofits (CT Nonprofits.) CT Nonprofits is the largest membership association in CT, dedicated exclusively to the nonprofit provider community. We represent over 525 organizations, of which approximately 300 contract with the state for a variety of health and human services. With respect to the Forum this morning, we refer to our members that contract with the Department of Developmental Disabilities (approximately 75 organizations), Department of Mental Health & Addictions (nearly 100 organizations) and the Department of Children & Families (approximately 75 organizations.)

Nonprofit provider organizations have a history of innovation, flexibility, resourcefulness and resilience. Even in these financially stressful times, community-based residential and day programs serving persons with mental illness, addictions and developmental disabilities have maintained a record of quality. Individuals living in these homes and other settings have continued to thrive in the community, achieving greater self-sufficiency and independence. Nonprofit provider organizations have been at the forefront of evolving technology and value-based approaches in serving persons with disabilities in the community.

Nonprofits approach the prospect of transitioning services from the public sector to the private nonprofit sector as congruent with their missions, not with the intent of denying public sector jobs or as a cost savings measure. The projected savings of \$5 million is a troubling aspect of the Department of Developmental Services recent Request For Proposal to privatize 17 community living arrangements, knowing that there exists historically inadequate funding & a significant disparity among salary & wage levels across nonprofit organizations and an even greater differential between private nonprofit and public sector employees salaries. There is also a gap in benefits. As well, in private residences funded by DDS there also remains a differential between rates paid to older, more long established Community Living Arrangements (CLAs) and those established more recently. We feel funds saved should be used to modify this inequity and should be reinvested in the community system of care and support.

We would maintain that there are three reasons why Connecticut has witnessed relatively small entrance of for-profit enterprises on the scene is 1) the success of the nonprofit sector; 2) the fact that there is ample proof of little if any profit to be made; 3) the philosophical opposition to for-profits by state employee unions and non-profits themselves.

Nonetheless, the real focus that merits all of our attention is the long-term sustainability of a service system which parents and other family members, consumers, private providers and the State of Connecticut can depend and rely on over the coming years. Our conversation should be centered around how we can in a planful way assure continuing high quality, effective services and supports to more people with more needs. Will there be a sustainable and affordable service delivery system that we can point to with pride and a sense of achievement on that meets the needs of those we serve and support. To this end, we supported and gained initial Legislative approval in 2008 to examine and explore long term solutions through the creation of the Nonprofit Human Services Cabinet. This idea or others still offers some promise.

### **Developmental Disabilities**

In 2003/2004, thirty public group homes/community living arrangements were converted to private nonprofit operation. By all accounts, those individuals residing in the homes have succeeded and their quality of life has improved. There is no evidence whatsoever of the deterioration in the quality of services. In fact, we would contend just the opposite has occurred. The 2003/2004 conversions resulted in improved physical living environments for all the individuals. Fair and productive workplaces have been a consistent attribute in the nonprofit sector where employees are seen as assets to be developed. Quality indicators from licensing and quality assurance maintained by DDS demonstrate an overall excellent record by the nonprofit provider community.

Today, there are 778 Dept. of Developmental Services licensed private community living arrangements (CLAs) plus an additional 69 privately operated Intermediate Care Facilities (ICF-MRs). The ICF's are licensed by the Dept. of Public Health and funded through the Dept. of Social Services. The current number of publicly operated CLAs is 95. There is a CLA serving persons with developmental disabilities in every one of the 169 towns in Connecticut save one or two.

Continuity of care for individuals residing in the CLAs is of paramount issue and one that nonprofit provider organizations have demonstrated their sensitivity to back in 2004 when the last conversions occurred. Nonprofits have utilized numerous ways to insure a smooth and responsible transition including a) continuation of utilization of state staff for months beyond formal changeover b) retention of state employees as part-time employees at a home during evening shifts, weekends, or holidays c) work extensively with family members to facilitate the transition d) encouraged state employees to continue as volunteers and friends in providing circle of support to individuals residing in the CLA.

It is no secret that the private nonprofit provider community operates under financial stress today. The State has not dealt fairly with the nonprofit provider community which continues to step up to serve more individuals with few, if any, additional resources. The nonprofit provider community is not adequately reimbursed for the cost of the services it provides. There remains a wide disparity in salaries and wages between the public and private sector -- in excess of 50% on average. Nonprofits have focused on innovative ways to cut costs, make better use of volunteers, collaborate with other nonprofits and cost-effectively increase private giving through a variety of fundraising techniques.

### **Mental Health & Addictions**

The experience in mental health and addictions does not have a comparable history. There has been a slower more gradual growth in private nonprofit mental health and addiction prevention and treatment services in Connecticut but nowhere near the exponential growth in developmental disabilities. From past practice, there is some reason for the nonprofit sector to be concerned. When the State of Connecticut chose to close Fairfield Hills and Norwich Hospitals, the promise of moving individuals into the community did occur. However, the necessary resources/funding to appropriately and adequately support those individuals did not occur. The many needs of our State's mental health system were outlined in the 2000 Governor's Blue Ribbon Commission on Mental Health and continuously advocated for by The Keep The Promise Coalition.

The private nonprofit sector has shown itself capable of providing necessary services, when the presence of sufficient resources are available. Our position is that the nonprofit community organizations stand ready to assist the State of Connecticut when it is willing to make the necessary community investment to appropriately support individuals in the community.